



Market recovery with short-term cost challenges

Q1 report 2021/22

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Agenda

- Towards the best cancer care, Q1
- Q1 financials
- Outlook
- Q&A




Important information

This presentation includes forward-looking statements including, but not limited to, statements relating to operational and financial performance, market conditions, and other similar matters. These forward-looking statements are based on current expectations about future events. Although the expectations described in these statements are assumed to be reasonable, there is no guarantee that such forward-looking statements will materialize or are accurate. Since these statements involve assumptions and estimates that are subject to risks and uncertainties, results could differ materially from those set out in the statement. Certain of these risks and uncertainties are described further in the Annual Report in section “Risks and uncertainties”. Elekta undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or stock exchange regulations.

This presentation is intended for investors and analysts only. Some products are still in research and/or not cleared/approved in all markets. Cancer statistics are given to show the potential market in the respective area and does not mean that Elekta currently has products to treat these indications.

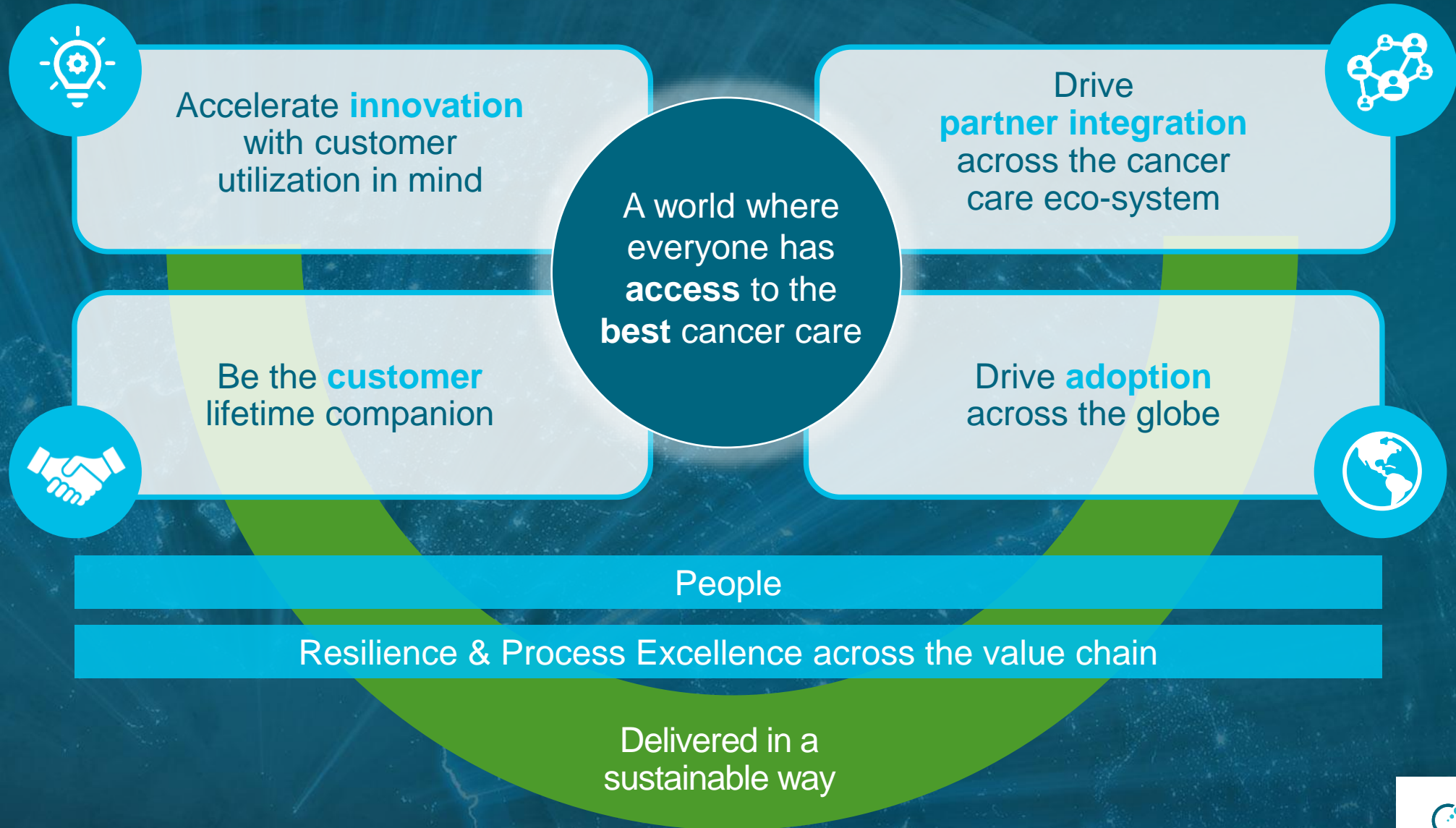
Towards the best cancer care, Q1



ACCESS 2025

TOWARDS A WORLD WHERE
EVERYONE HAS ACCESS
TO THE BEST CANCER CARE

Our strategy ACCESS 2025



Highlights in Q1

Improving patients' lives by working together with our customers

Deepened strategic partnership with Philips

FDA clearance for Harmony

Patent received for IntelliMax®

36 research abstracts based on Unity at AAPM

Going direct in growth markets: Indonesia

Performing in challenging market conditions

Improved market demand with large geographic variations

Increased installation volumes

Temporary headwinds to gross margin

Accelerated innovation investments

Improved market conditions for orders – large variations among regions

Total **-4%** **17%** excl. largest deal ever in comparing quarter

Americas

-7% **80%**

Very strong growth in Americas when excluding largest deal ever

EMEA

0%

Europe strong growth, Middle East & Africa still negative impact

APAC

-4%

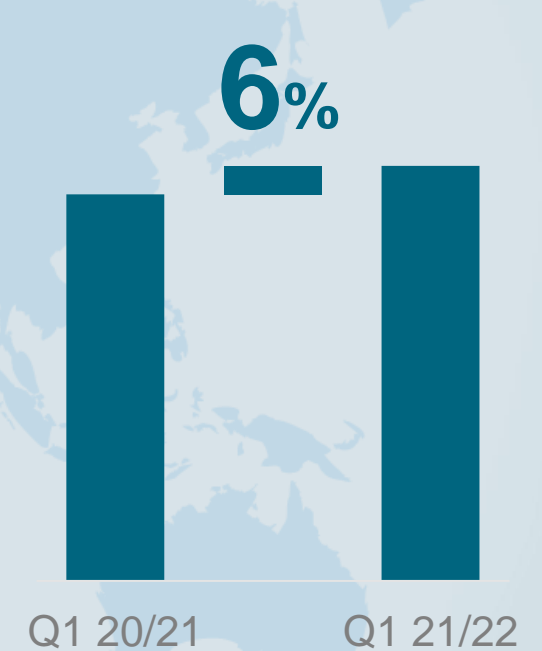
Strong growth in China and India, soft development in Japan

Revenue starting to recover

Revenue development, RTM



Installed base



Go direct in Indonesia – driving adoption across the globe



Market characteristics

- Population ~275 million
- Highly underserved market
- 80% public care providers
- Private market expected to grow
- Pandemic boosts cancer care within the country







Elekta direct in Indonesia

- Newly established office
- Already double-digit employees
- Market leader

Strong results in sustainability



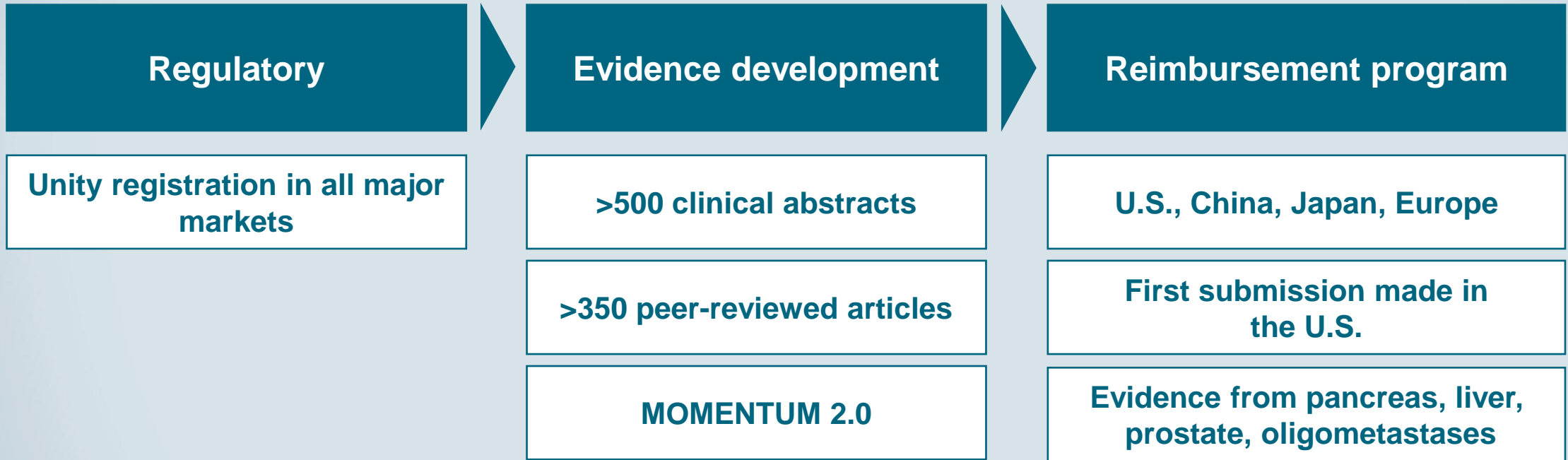
 Committed to the Paris Agreement & Science Based Targets initiative, SBTi

-  Strategic milestone 2024/25: **+300** million people in underserved¹⁾ markets to get access via Elekta's installed linac base
-  Since Q4 2019/20 the installed linac base has increased by **12%** in underserved markets
-  During Q1 2021/22 additional **~20** million people got access

Installed linac base in underserved markets



Unity market access program focus on evidence generation

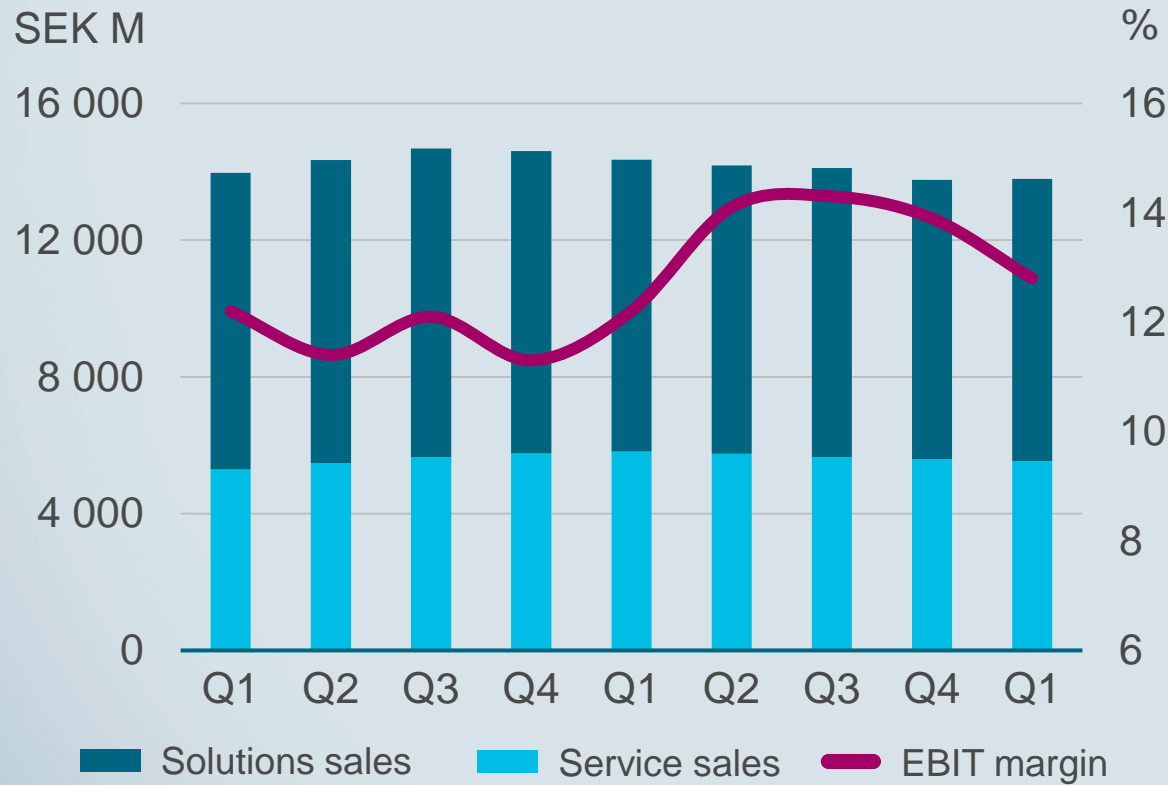


Consortium & MOMENTUM: Powerful infrastructure for the evidence development journey of Unity

Q1 financials

Strong revenue growth in solutions

Rolling 12 months (RTM) development



Q1 figures

Total net sales
8%

Solutions
12%

Service
3%

54%
(52%)

46%
(48%)

EBIT margin 6.7%

Profitability impacted by higher costs

(SEK M)	Q1 21/22	Q1 20/21	Δ
Net sales	3,009	2,981	8%
Solutions	1,631	1,551	12%
Service	1,378	1,430	3%
COGS	-1,894	-1,614	17%
Gross margin (%)	37.1	45.9	-8.8 ppts
Expenses	-981	-937	5%
Exchange diff and other	66	-95	
EBIT	201	335	-40%
EBIT margin (%)	6.7	11.2	-4.5 ppts
Net financial items	-36	-52	
Income taxes	-40	-66	
Net profit	126	216	-42%
EPS	0.33	0.57	-42%

Net sales up 8%

- Americas: -4%
- EMEA: 7%
- APAC: 20%

Gross margin down, temporary impacts

- Supply-chain, logistics and service costs ~500 bps
- FX (mainly weakening of USD) ~140 bps
- Higher share of solutions revenue ~80 bps

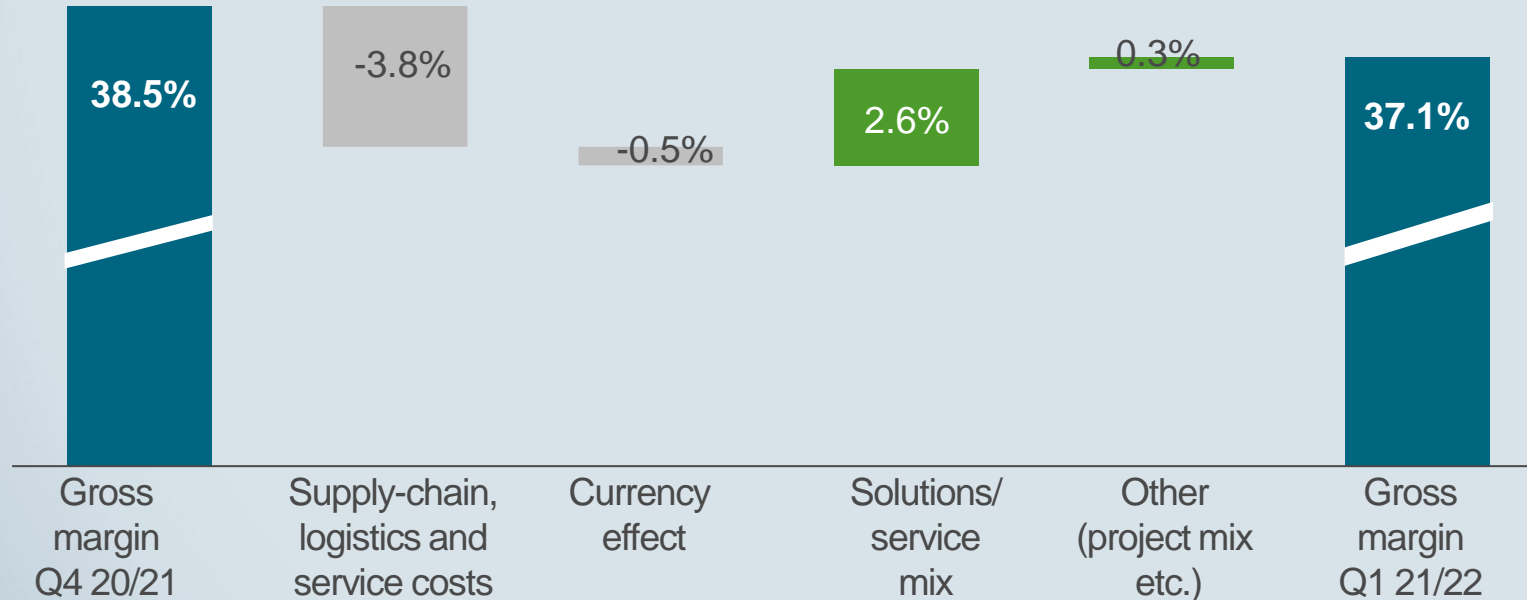
Lower EBIT margin

Improved net financial items

- Lower debt

Gross margin continue to be impacted by pandemic driven cost increases

Q1 gross margin bridge (%)



- Higher costs for supply-chain, logistics and service
- Positive impact from higher share of solutions revenue

Acceleration leading to increased costs

Quarterly expenses

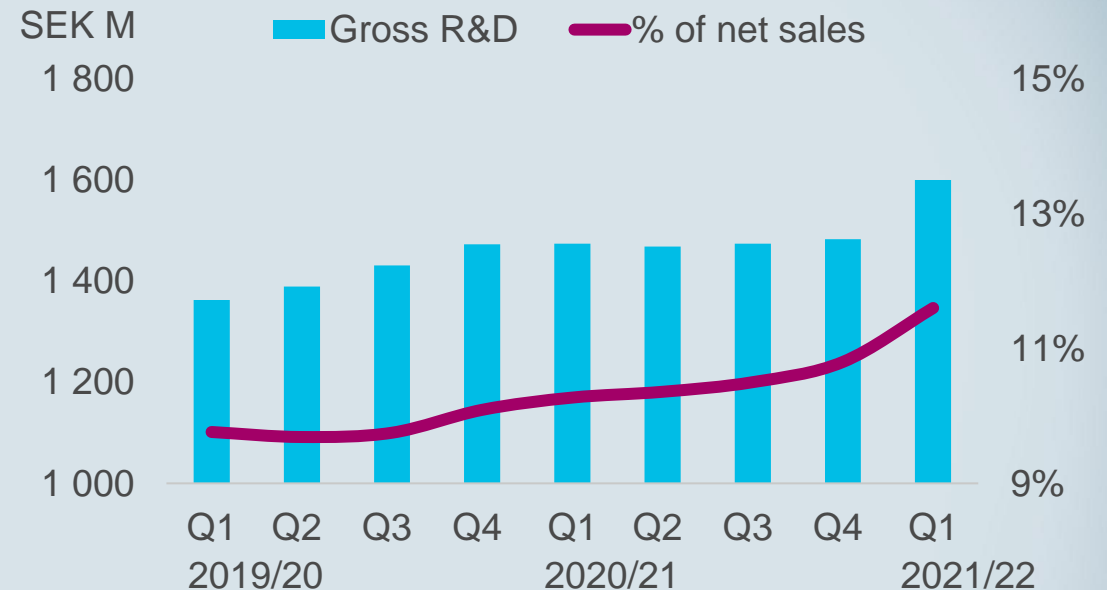
Expenses (SEK M)	Q1 2021/22	Q1 2020/21	Growth ¹⁾ Y/Y	Growth ¹⁾ Q/Q
Selling	-316	-271	↗ 22%	↘ 2%
Administrative	-274	-280	↘ 1%	↘ -8%
R&D (Net)	-391	-386	↘ 4%	↘ 14%
Total	-981	-937	↗ 8%	↘ 4%

Selling expenses

- Higher selling expenses due to increased sales and marketing activities and improved hospital access

Administrative expenses almost flat

Rolling 12 months



R&D expenses

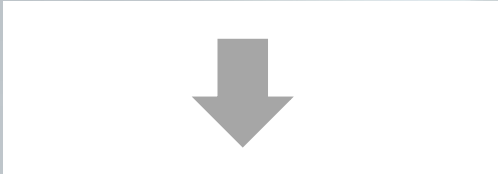
- Net R&D expenses increased, due to increased investments in innovation
- RTM gross R&D expenses increased and corresponded to 12% of net sales

Effects from the pandemic

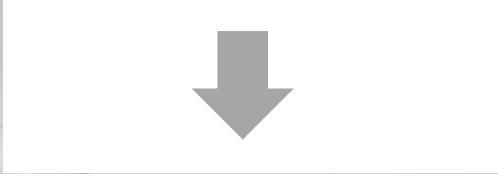
Development
-1 yr

Development
vs pre-Covid

Travel



Marketing

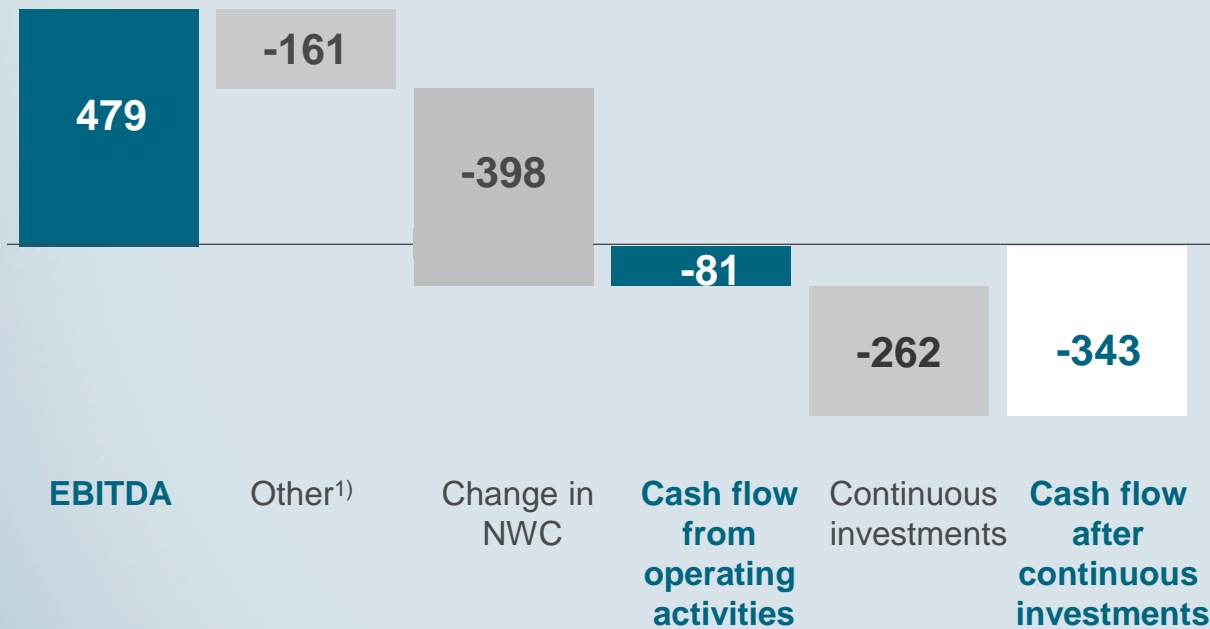


Logistics & service

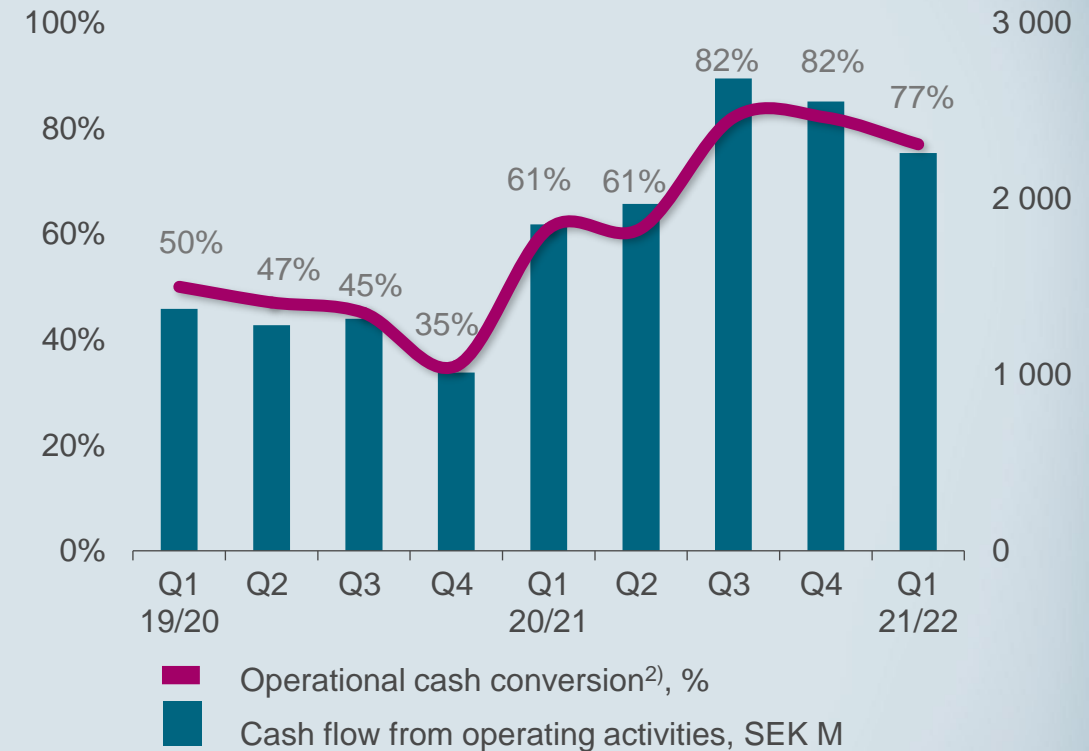


Weaker cash flow but continued strong cash conversion

Q1 Cash flow (SEK M)



Operational cash conversion, RTM

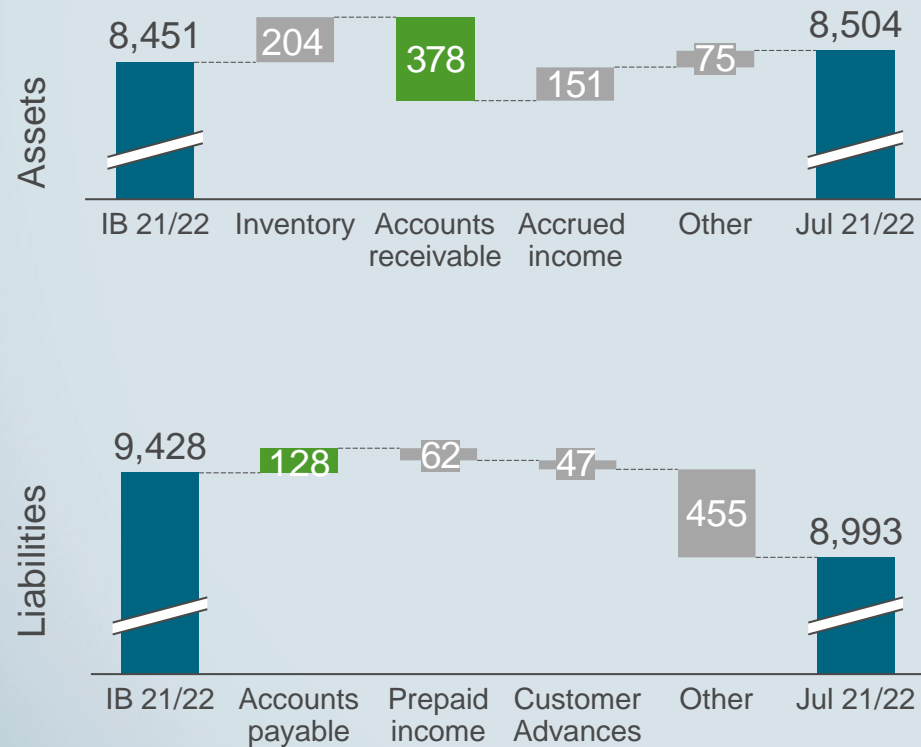


¹⁾ Other = Income tax paid, interest net, received and paid, other non-cash items

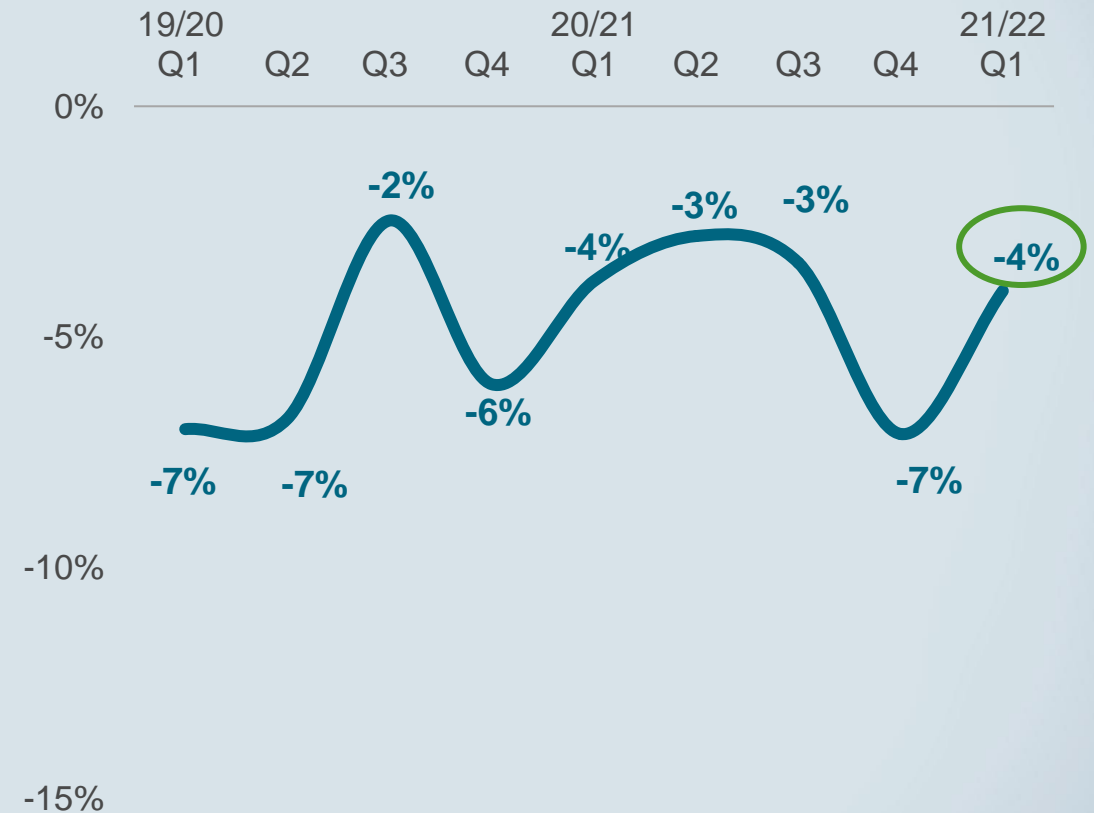
²⁾ Cash conversion = Cash flow from operating activities/EBITDA and Basic Personal Data

NWC negatively impacted by increased inventory to mitigate extended supply-chain lead times and reductions in other liabilities for paid bonus

Net working capital changes (SEK M)



Net working capital as % of net sales



Outlook – Q2 and mid-term

Outlook in Q2

- The overall market situation expected to continue to recover and the ability to install to improve
- Continued higher supply-chain and logistics costs and longer lead times impacting margins and installation volumes
- Risk for new waves of pandemic - especially in emerging markets
- Long-term market trends to support growth and investment in high-end RT equipment and margin expansion



Mid-term outlook until 24/25

Growth

>7%
net sales
CAGR

Margin

EBIT %
expansion
over period

Capital allocation

>50%
of annual net profit
in dividend

Summary Q1

- Continued recovery in the market
- Increased installation volume
- Temporary headwinds to gross margin
- Deepened strategic partnership with Philips
- New direct Elekta market, Indonesia, and FDA clearance for Harmony

A photograph of two women laughing joyfully outdoors. The woman on the left is wearing a black long-sleeved top, and the woman on the right is wearing a yellow lace top and has her arm around the first woman's shoulder. The background is a bright, sunlit outdoor setting with green foliage.

We don't just build technology

We build hope



Q&A

